

No. 17721

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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SUNSET HOUSE DISTRIBUTING CORP., a corporation,  
and AMERICAN COVER CO., INC., a corporation,

*Appellants,*

*vs.*

VERNA H. DORAN, WILLIAM E. DORAN and VERN H.  
DORAN, dba PLASTI-PERSONALITIES, a sole proprietorship,

*Appellees.*

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## APPELLEES' BRIEF.

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RICHARD F. CARR,  
3850 West Santa Barbara Avenue,  
Los Angeles 8, California,

WILLIAM E. MOORE,  
611 South Catalina Street,  
Los Angeles 5, California,

*Attorneys for Appellees.*

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## APPELLEES' BRIEF.

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### Jurisdictional Statement.

This is an action based on copyright infringement and unfair competition. The appeal is taken from a judgment in favor of the appellee copyright proprietors. Damages of \$2,291.00 were awarded together with attorneys' fees of \$1,000.00. The appellants were enjoined from infringing the appellee's copyright. In addition, it was held that the appellants had engaged in unfair competition.

The jurisdiction below was based upon the copyright laws of the United States, 17 U. S. C. A., and for a substantial and related claim in unfair competition under 28 U. S. C. A., Sections 1338(a), 1338(b). This court has appellate jurisdiction under 28 U. S. C. 1294 to review the judgment entered against appellants.

### Statement of the Case.

Appellee devised and originated a life-sized three-dimensional Santa Claus figure useful as a Christmas decoration [Exs. 1 and 2]. A major component of this figure is a large bag sewn together from plastic sheet material and provided with a slit in the back for the insertion of crumpled newspaper. The large bag is cut from an appropriate pattern so that it defines the arms, legs and torso of a life-like figure. The pattern was devised to minimize the possibility of failure at points of stress, and hence there are no seams at the shoulders of the figure. A small bag is included at the top over which is fitted a face and hood. On the back a flap is provided to receive a stick for supporting the head. A tunic is secured around the waist of the figure to provide the illusion of a coat [T. 14-16]. White trim is utilized to give the appearance of mittens and fur, while black plastic serves for the boots. A square molded belt buckle, inscribed with scroll work and including a central opening, is attached to the center portion of the tunic.

Appellee Verna Doran embarked in a business principally engaged in the manufacture of this Santa Claus figure. The trade name "Plastic Personalities" was adopted and later changed slightly to "Plasti-Personalities" [T. 10]. Similarly, "Plastic Personalities" was adopted as appellee's trademark, later becoming "Plasti-Personalities" for which California registration was obtained [Ex. 4].

Appellee's Santa Claus figures have all borne the prescribed copyright notice. After publication with the notice, copyright registration was obtained [Ex. 3]. Later, for production purposes, a minor modification of the design was made [Ex. 2], differing primarily in



that the vertical white stripe on the figure extends only to the belt rather than to the bottom of the tunic. In some instances the face of the Santa Claus does not include white hair over the molded white plastic representation of the beard.

Appellee's Santa Claus figures have been packaged in a transparent plastic bag and accompanied by an instruction sheet for the construction of a simple wire frame to hold the figure in a standing position [Ex. 5]. Appellee's trademark and trade name "Plasti-Personalities" appears on this sheet. "Plasti-Personalities" also is imprinted on other descriptive material included in the package.

Various retail stores have acted as outlets for appellee's Santa Claus figures and have advertised it extensively. This has included a representation of Santa Claus in the unusual pose of straddling a roof gable [Exs. 10 and 13]. Similar illustration on behalf of appellee's product is found on literature accompanying appellee's package. These advertisements were based upon appellee's photograph of her Santa Claus figure [Ex. 8].

The appellee's Santa Claus was introduced on the market in 1958 at a wholesale price of \$4.75 [T. 53] per item to retail at \$7.95. Approximately 2,500 to 3,000 Santa Claus figures were produced that year and marketed through retail outlets [T. 17]. In 1959 around 5,000 Santa Claus figures were sold by the appellee [T. 17] at a price of \$4.25 [T. 53]. However, in 1960, again at a price of \$4.25 [T. 53], sales dropped back to 3,000 figures [T. 17], leaving plaintiff with a sizable inventory at the end of the season. This was despite an expanded distribution network in 1960 that included a major nation-wide mail order house [T. 29-30].

During the year 1960 appellant American Cover Co., Inc. (hereinafter called "American Cover"), commenced the manufacture of its Santa Claus figure [Ex. 6] which was sold to the retail trade by appellant Sunset House Distributing Corp. (hereinafter referred to as "Sunset"). This included sales through nationally distributed mail order catalogs and through retail stores. There were some additional sales by representatives of American Cover.

Mr. Tashman of appellant American Cover admitted having obtained one of appellee's Santa Claus figures prior to production of their own, and testified that it might have been secured from Mr. Carlson of appellant Sunset [T. 110 and 114]. At any rate, Mr. Tashman was asked by Mr. Carlson to produce a Santa Claus figure such as that manufactured by the appellee, and such as Mr. Carlson had observed in the advertisements of appellee's product by the Broadway stores.

The appellants' Santa Claus figure turned out to be substantially identical to appellee's in size, shape and appearance. The same large bag is utilized to receive the stuffed newspaper which is introduced in a slit similar to that provided in appellee's Santa Claus. Again a small bag is provided to support a hood and mask representing the head. A tunic is snapped around the central portion of the torso just as in the appellee's Santa Claus. The plastic sheets are cut from a pattern similar to that of the appellee's product, and the bag is arranged to omit a shoulder seam as in the appellee's design.

Careful inspection of the two Santa Claus figures reveals certain differences. The appellants reduced their cost by omitting the vertical white stripe from the face to the belt, and they did not use a molded belt buckle

but instead cut a more simple item from flat sheet plastic having a somewhat different form and appearance from that of the appellee's belt buckle. Additionally, the face and hood of appellants' unit are of fabric and not plastic.

Appellants sold their Santa Claus figure in a transparent bag similar to appellee's package, into which also was inserted an advertising leaflet observable from the exterior of the package [Ex. 6, T. 116 and 117]. This leaflet bears a large picture of a stuffed Santa Claus figure. It was prepared by Ernest Mowinckel who testified how he made the illustration from a Santa Claus figure received from Mr. Tashman of American Cover [T. 42].

The Santa Claus figure shown on this leaflet naturally looks much like the product both of the appellants and appellees in view of the close similarity between these two items. However, the Santa Claus shown on this leaflet includes a white stripe extending from the face to the belt. This is true of the appellee's Santa Claus figure but unlike that of the appellants. Also, the Santa Claus of the leaflet has a square belt buckle having scroll work and a central aperture. Such a belt buckle is characteristic of appellee's Santa Claus, but is different from the buckle supplied by appellants. In other words, the illustration accompanying appellants' product faithfully reproduced the appellee's Santa Claus, and did not even include the minor differences found between the two items.

In the promotion of their Santa Claus figure the appellant Sunset distributed a catalog [Ex. 15] and published newspaper advertisements [Ex. 16]. These advertisements of appellant depicted a Santa Claus figure perched upon a roof gable much the same as the il-

illustrations in the earlier ads of appellee's product. The language in the appellant's ads followed a similar format to those of the appellee. The Santa Claus shown on the roof gable had a white stripe from the face to the belt, and also included a square belt buckle with a central opening. The price, however, was \$6.98 instead of the \$7.95 retail cost of the appellee's Santa Claus.

Mr. Carlson of appellant Sunset acknowledged that he had a lengthy conversation with the artist who prepared the illustration for the advertisements and catalog of this appellant. While he testified that he was not certain what had been said in this discussion, he indicated that he "may have" provided the artist with a copy of an advertisement of appellee's product from the previous year [T. 91].

Despite an awareness of appellees' copyright registration, and regardless of the fact that appellants were informed of appellee's rights in her product, the appellants continued to manufacture and sell their infringing Santa Claus throughout the 1960 Christmas season. Until served with papers pertaining to a State Court action, appellants marketed their Santa Claus with an instruction sheet for producing a wire frame to support the Santa Claus [T. 88-90]. This was an exact duplicate sheet of the instruction sheet supplied by appellee, and bore on the top line the name "Plasti-Personalities" [T. 112].

### Questions Presented.

The appellants have enumerated seven different paragraphs which set forth what in their viewpoint are the questions to be determined on appeal. Basically, these elaborate contentions boil down to a single underlying inquiry: Were appellees entitled to obtain a valid copyright for their Santa Claus figure?



## ARGUMENT.

The appellants primarily base their case upon the theory that no valid copyright can be obtained for a representation of Santa Claus. There is no basis in fact for any such hypothesis. It is well established in copyright law that novelty as to subject matter is not required. It is the treatment of the subject matter that is entitled to copyright protection. *Silvers v. Russell*, 113 Fed. Supp. 119 (S. D. Cal. 1953); *Chamberlain v. Uris Sales Corporation*, 150 F. 2d 512 (2nd Cir. 1945); *Alfred Bell Co. v. Catalda Fine Arts*, 191 F. 2d 99 (2nd Cir. 1951).

The extent to which this doctrine is carried for works of art is exemplified in *Alva Studios Inc. v. Winninger*, 177 Fed. Supp. 265 (S. D. New York 1959). There the copyright proprietor simply reproduced famous works of Rodin on a smaller scale. Yet the copyright was upheld. As the court stated,

“It is hornbook that a new and original plan or combination of existing materials in the public domain is sufficiently original to come within the copyright protection. (*Allegrini v. De Angelis*, D. C., 59 F. Supp. 248, at page 250).”

Thus it is of no moment that Santa Claus is a well known symbolic Christmas-time figure. The appellees created their own version of Santa Claus and devised a new and original work in the form of a three-dimensional plastic figure. As such it was the first of its kind. This goes far beyond the minimum requirements for copyright protection.

The appellants seek to attach importance to their contention that nearly everyone has the same general concept of what Santa Claus should look like. This may

be true in a general sense, but whether or not most people think of Santa Claus in the same manner, the copyright is unaffected.

Actually, there are many variations in representations of Santa Claus, and any careful examination of Christmas displays will reveal that each artist shows Santa Claus slightly altered from every other illustration of this legendary personage. There being no actual model to duplicate, each new Santa Claus (*i.e.*, those not copied from other artists) necessarily must be an original creation. In an effort to demonstrate to the contrary, the appellants have quoted from "A Visit From Saint Nicholas" by Clement C. Moore. However, they omitted the pertinent portions of this work,

"He was dressed all in fur from his head to his  
foot,  
And his clothes were all tarnished with ashes and  
soot,  
A bundle of toys he had flung on his back,  
And he looked like a peddler just opening his pack,  
...  
The stump of a pipe he held tight in his teeth,  
And the smoke it encircled his head like a wreath.  
..."

The copyrighted work in question certainly does not appear to be "dressed all in fur" from head to foot. It does not resemble a peddler, has no smears of ashes, and a pipe is absent from the teeth of the Santa Claus. Hence, the very work which appellants have quoted to show that Santa Claus figures must bear close resemblance to each other actually establishes that there are marked differences among Santa Claus representations.

## Appellees Are Protecting Their Original Version of Santa Claus Not the "Idea" of Santa Claus.

The appellants also appear to regard the appellee's action as one to secure exclusive rights in the "idea" of Santa Claus. In this connection, appellants rely upon *Barton Candy Corp. v. Tell Chocolate Novelties Corp.*, 178 Fed. Supp. 577, quoting the court as saying,

"The idea of Santa Claus as part of the Christmas motif belongs to the public domain and cannot be withdrawn by a copyright,"

However, the appellants failed to reproduce the balance of this sentence in which the court continued,

"but the reproduction of this idea in different combinations, adaptations, arrangements or mediums of expression which are sufficiently original will be protected by the copyright laws. *Allegrini v. De Angelis*, D. C. Pa. 1944, 59 Fed. Supp. 248, 250."

Appellees are in agreement with this decision: it is their "combinations, adaptations, arrangements or mediums of expression" which have been granted copyright protection and form the basis of this law suit. Appellees have no thought of appropriating the idea of Santa Claus, seeking only to protect their own original artistic representation of the legendary character.

## Appellants' Product Constitutes an Infringing Copy of Appellee's Work.

After strenuously urging that all Santa Clauses have the same appearance, and conceding that the appellants' Santa Claus is similar to that of appellees, the appellants then abruptly reverse positions and argue

that actually the two Santa Clauses in question look different. Hence, they allege that infringement does not exist. However, whether or not there is infringement is not subject to review inasmuch as it is a question of fact already decided by the trial court, unless such finding is clearly erroneous.

“Ordinarily, the trial courts’ formal findings are controlling.”

*J. D. Hedin Construction Co. Inc. v. F. S. Bowen Electric Co., Inc.*, 2 Fr. Serv. 2d 52a, 42, Case 2 (C. A. D. C. 1960).

Of course, there are minor variations between the Santa Clause produced by appellants and that copyrighted by appellees. This is of no consequence. A copyist does not avoid a charge of infringement merely because he appropriates less than the entire copyrighted work. *Pellegrini v. Allegrini, et al.*, 2 F. 2d 610 (3rd Cir. 1924); *Comptone Company v. Raytex Corporation*, 251 F. 2d 487 (2d Cir. 1958); *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F. 2d 354 (9th Cir. 1947).

Even the functional similarities between appellants’ and appellees’ works tend to show copying on the part of appellants. As the court stated in *Morse v. Fields, et al.*, 122 Fed. Supp. 63 (2d Cir. 1954),

“ . . . the fact of copying may be proven by similarity between both the protected and the unprotected parts of plaintiff’s and defendant[’s] work.”

In the present case, the appellants have reproduced the appellees’ work both aesthetically and as to its unique physical construction.



In determining the fact of copying, the basic test is whether the copy, by ordinary observation, would be recognized as having been appropriated from or patterned after the copyrighted work. *Dymow v. Bolton*, 11 F. 2d 690 (2d Cir., 1962); *Peter Pan Fabrics, Inc. v. Acadia Company*, 173 Fed. Supp. 292 (S. D. N. Y. 1959); affirmed 274 F. 2d 487 (2d Cir. 1960); *Lewis v. Kroger Co.*, 109 Fed. Supp. 484 (S. D. W. Va. 1952); *Allegrini v. De Angelis*, 59 Fed. Supp. 248 (E. D. Pa. 1944), affirmed 149 F. 2d 815 (3rd Cir. 1945). The District Court held that the test had been met by the copy produced by appellants [R. 95].

### **Minor Changes in Appellees' Product Do Not Affect the Copyright or the Fact of Copying.**

The appellants have advanced an argument by which they hope to avoid infringement because appellees made certain minor modifications in their design as the final production version. The pertinence of this argument is not understood. Appellees made only the slightest change and sold the Santa Clause both with and without this trivial variation. The appellants' product is a substantial duplicate of either. The important consideration is that the appellants actually did copy the appellees' *copyrighted* work. As the trial court below observed,

“ . . . it will readily be seen that defendants' Santa Clause constitutes a copy of, and hence an infringement of, plaintiffs' Santa.”

It has been found as a fact by the District Court that the appellants' Santa Claus constitutes a copy of appellees' copyrighted work. The District Court likewise found as a fact that the ordinary observer seeing

the two products would recognize that appellants' work was patterned after that of the appellees, and that the differences were so minor as to not alter this result [R. 121]. Findings of Fact should not be confused with questions of law, and can be set aside on appellant review only if clearly erroneous. Rule 52 F. R. C. P. *Lawlor v. National Screen Service Corp.*, 270 F. 2d 146 (1959); *J. D. Hedin Construction Co., Inc. v. F. S. Bowen Electric Co., Inc.*, *supra*; *Hyde & Gleises v. Booraem & Co.* (1842), 41 U. S. 169. Certainly these Findings of Fact by the trial judge in the present instance are not clearly erroneous and hence must stand upon appeal.

### **Works of Art Have Long Been Regarded as Writings Under the Constitutional Provision.**

The appellants made a final argument that a life-sized three-dimensional Santa Claus figure is not a "writing," and hence not authorized for copyright protection under Article I, Section 8 of the Constitution. The appellants quote only the dissenting opinion in *Mazer v. Stein*, 347 U. S. 201 in an effort to support this position. The majority of the Supreme Court, of course, held that the work of art, in the form of statuettes of Balanese dancers, supported a valid copyright. Indeed, the fact that works of art are within the constitutional provision has long been accepted and virtually without question. Works of art have been covered by our copyright laws for over ninety years. Act of July 8, 1870, C. 230, 16 Stat. 198. Countless decisions since that time have upheld the validity of copyrights granted to three-dimensional works. *Mazer v. Stein*, *supra*; *Rosenthal v. Stein*, 205 F. 2d 633 (9th Cir. 1953).

Hence, the conclusion that three-dimensional artistic objects are writings within the meaning of the Constitution is one of the oldest and best established doctrines in our judicial system.

### **Appellants Cannot Now Rely Upon New Theories Not Previously Presented.**

The appellants in their argument of Questions Presented, Nos. 5 and 6, are enlarging the argument they previously presented to the trial court, by adding new theories. Appellants never before have suggested that the copyright should be held invalid because their product was not stuffed to the three-dimensional form when sold, or that this should withdraw the copyrighted work from the scope of 17 U. S. C. A. 5(g). The appellee cannot now be charged with such new theories as there would be no chance to counter same, and the Circuit Court of Appeals is not the arena for trying new questions. The authorities so hold, *Parrott Estate Co. v. McLaughlin*, 89 F. 2d 188; *Sacramento Suburban Fruit Lands Co. v. Melin*, 36 F. 2d 907; *Fanchon & Marco, Inc. v. Paramount Pictures*, 215 F. 2d 167 (C. A. Cal. 1954); *Aluminum Co. of America v. Sperry Products*, 285 F. 2d 911; *Title Guarantee & Trust Co. v. McIlwain*, 73 F. 2d 754.

The new theory of appellants is inconsequential in any event. The copyright laws ask only that all copies of a work be published with proper notice for protection as a published work of art. There is no other requirement regarding production or nonproduction of the protected work, 17 U. S. C. A., Section 10.

### Unfair Competition Was Present in the Conduct of Appellants.

Appellants assert that the matter of unfair competition is now academic only. It is assumed, therefore, that appellants make no appeal from the trial court's ruling that unfair competition existed. While the trial court elected to award damages on the basis of the statutory formula under 17 U. S. C. A. 101, it was specifically held below that appellants conduct amounted to unfair competition [R. 95]. Appellees firmly believe that added damages should have been awarded for the unfair acts of appellants, that were fraudulent *ab initio*. Of course, the appellants have been enjoined from continuing their infringing acts.

### Attorneys' Fees.

The facts at hand demonstrate that the present appeal is entirely spurious in nature serving only as harassment, without any substantial basis. This is coupled with the deliberate and premediated actions of defendants in appropriating appellees' creation to their own advantage and appellees' irreparable damage. As such, this Court should award additional attorneys' fees to appellees. In another copyright infringement case, *Boucher v. DuBoyes, Inc.*, 253 F. 2d 948 (2d Cir. 1958) the Court of Appeals of the Second Circuit dealt with a comparable situation:

"In view of the deliberate nature of the infringement and lack of substance to the defendants' continuation on this appeal, the request [for additional

attorneys' fees] has received consideration. An allowance for attorneys' fees has already been made below. Under the circumstances, an additional allowance of Five Hundred Dollars is made to the plaintiffs for the services of counsel on this appeal."

### Conclusion.

From the record and the authorities in the field it is clear that the appellees have a valid copyright. Likewise, there can be no doubt that the appellants copied the protected work of the appellees. Their product virtually duplicated the appearance of the appellees' work, and it was not clearly erroneous for the trial court to so hold. It is submitted, therefore, that the judgment in this case should be affirmed.

Respectfully submitted,

RICHARD F. CARR,

WILLIAM E. MOORE,

*Attorneys for Appellees.*

